



Grand Trunk Western Railroad Co.
1333 Brewery Park Blvd.
Detroit, MI 48207-2699

(313) 237-4357

RECORDATION NO **16210** FILED 1425

FEB 21 1989 -12 30 PM

INTERSTATE COMMERCE COMMISSION

February 17, 1989
File: 304-W

Secretary
Interstate Commerce Commission
Room 2215
12th & Constitution Ave., N.W.
Washington, D.C. 20423

9-052A003

Dear Secretary:

Enclosed for recordation with the Interstate Commerce Commission pursuant to 49 USC §11303 are counterparts of a lease, dated February 8, 1989 between Waveland Corporation and Grand Trunk Western Railroad Company. The equipment covered by the lease are 130 high cube box cars, bearing road numbers as shown on Exhibit A, attached hereto.

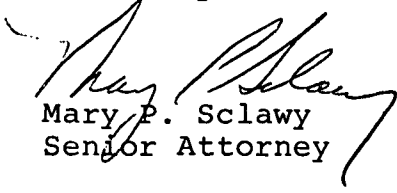
The parties to this lease are:

Lessor:	Waveland Corporation 3 First National Plaza Suite 1400 Chicago, IL 60602
Lessee:	Grand Trunk Western Railroad Co. 1333 Brewery Park Boulevard Detroit, MI 48207-2699

Enclosed is our Check No. 1306 in the amount of \$13.00.

Please accept one counterpart of this document for filing, stamp the remaining with your recordation number and return them and your fee receipt to the undersigned.

Sincerely,


Mary P. Sclawy
Senior Attorney

MPS:val
/304-W-ICC - MPS9

Enc.

EXHIBIT A

Equipment leased: 130 100-ton 86'6" high cube box cars

Reporting numbers: In the series DTI 27000-27134, both inclusive and:

GTW 127035
127063
127073
127088
127100
127108
127111
127114
127133

LEASE AGREEMENT made and entered into on February 8, 1989, (Lease) between

WAVELAND CORPORATION
3 First National Plaza
Suite 1400
Chicago, IL 60602

(Lessor) and

GRAND TRUNK WESTERN RAILROAD COMPANY
1333 Brewery Park Boulevard
Detroit, MI 48207-2699

(Lessee).

16210
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INTERSTATE COMMERCE COMMISSION

RECITALS

Lessee desires to lease from Lessor certain railroad cars, hereinafter specifically designated, all upon the rentals and terms and conditions set forth in this Lease.

AGREEMENT

It is Agreed:

1. Lease of Cars. Lessor agrees to lease to Lessee and Lessee agrees to and does hereby lease from Lessor that number of railroad cars, of the type, construction and such other description (hereinafter referred to as the Cars) as is set forth in Exhibit A attached hereto and by this reference made a part hereof.

2. Delivery of Cars. Lessee shall take delivery of the Cars, as is, where is on February 9, 1989, and thereafter the Cars shall be subject to all the terms of this Lease.

3. Term. The term of this Lease shall be one year. It is the intent of the parties that Lessor shall rebuild the Cars or arrange to have the Cars rebuilt during the term of this Lease pursuant to the specifications described in Exhibit B. It is expressly agreed that Lessee's rent under this Lease shall continue during such rebuilding.

Lessee agrees to enter in a long term lease with Lessor on commercially reasonable terms and at the most attractive financing cost available to Lessee for such Cars as are rebuilt. Upon acceptance of such rebuilt Cars under the long term lease the Lessee's obligations under this lease for such Cars shall terminate without penalty.

CA 7505

Any Cars not rebuilt within one year of the date of this Lease shall be returned to the Lessor on the Lessee's lines.

4. Rental. Lessee shall pay to Lessor monthly in arrears as rental for each Car, during the original term, from and including February 10, 1989, the sum of \$77.11 per Car per month, pro rated for periods of less than a full month.

5. Title. Lessor has or will have title to the Cars at the time they are delivered hereunder to Lessee and Lessee shall not by reason of this Lease or any action taken hereunder acquire or have any right or title in the Cars except the rights expressly granted to it as Lessee.

6. Maintenance. Lessee shall, during the continuance of this Lease, promptly and with due diligence, keep and maintain the Cars in good working order and repair (ordinary wear and tear excepted) and make all replacements, changes or additions to the Cars or their equipment and appliances to the extent necessary or required from time to time.

7. Taxes and Other Levies. Lessee shall promptly pay all taxes, assessments and other governmental charges, including sales, use or ad valorem taxes levied or assessed during the continuance of this Lease upon the Cars or the interest of the Lessee therein or in any thereof, or upon the use or operation thereof or the earnings arising therefrom, and if any levy or assessment is made against Lessor on account of any of the foregoing matters or on account of its ownership of the Cars, exclusive, however, of any taxes on the rentals herein provided or the net income of Lessor therefrom (except any such tax on rentals which is in substitution for, or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as hereinbefore provided).

8. Liens. Lessee shall keep the Cars free from any encumbrances or liens, which may be a cloud upon or otherwise affect Lessor's title, which arise out of any suit involving Lessee, or any act, omission or failure of Lessee or Lessee's failure to comply with the provisions of this Lease.

9. Indemnity. Lessee agrees to indemnify Lessor and save it harmless from any charge, loss, claim, suit, expense or liability which Lessor may suffer or incur and which arises in connection with the use or operation of a Car or Cars which is subject to this Lease and without regard as to how such charge, loss, claim, suit, expense or liability arises, including without limiting the generality of the foregoing, whether it arises from latent or other defects which may or many not have been discoverable by Lessor.

10. Loss, Theft or Destruction of Cars. In the event any Car is lost or stolen or is destroyed or damaged beyond economical repair, Lessee shall promptly and fully inform Lessor

of such occurrence and shall on the next rental payment date pay to Lessor the sum of \$8,489.

11. Governing Law-Writing. The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Michigan. The terms of this Lease and the rights and obligations of the parties hereto may not be changed or terminated orally, but only by agreement in writing signed by the party against whom enforcement of such change or termination is sought.

12. Severability-Waiver. If any term or provision of this Lease or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law. Failure of Lessor to exercise any rights hereunder shall not constitute a waiver of any such right upon the continuation or recurrence of the situation or contingency giving rise to such right.

13. Past Due Rental. Anything to the contrary herein contained notwithstanding, any nonpayment of rentals or other sum due hereunder, shall result in the obligation on the part of the Lessee to pay also an amount equal to eleven percent (11%) per annum (or if such rate may not lawfully be charged, then the highest rate which may lawfully be charged) of the overdue rentals for the period of time during which they are overdue.

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Lease as of the day and year first above written.

WAVELAND CORPORATION
an Illinois corporation

By *[Signature]*
Its President

ATTEST:

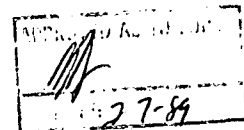
Stacey Gubeck

GRAND TRUNK WESTERN RAILROAD CO.
a Michigan corporation

By *[Signature]*
Its Treasurer

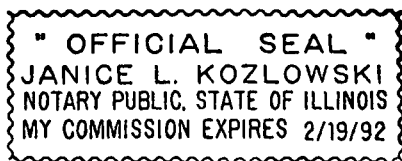
ATTEST:

[Signature]
Assistant Secretary



STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

On this 27th day of January, 1989, before me personally appeared Emmett Krohnauer, to me personally known, who, being by me duly sworn, says that he is the President of Waveland Corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



[Notarial Seal]

Janice L. Kozlowski
Notary Public

My Commission Expires:

2/19/92

STATE OF MICHIGAN)
) ss.
COUNTY OF WAYNE)

On this 9th day of February, 1989, before me personally appeared Dennis Rupp, to me personally known, who, being by me duly sworn, says that ~~he is a Vice President~~ ^{TREASURER} of Grand Trunk Western Railroad Company, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

J. Isabelle Matusko
Notary Public

[Notarial Seal]

J. ISABELLE MATUSKO
Notary Public, Oakland County, MI
My Commission Expires Feb. 9, 1991
Acting in Wayne County, MI

My Commission Expires: _____

/Lease Agree. - LEASES

EXHIBIT A

to lease dated February 9, 1989, between Waveland Corporation (Lessor) and Grand Trunk Western Railroad Company (Lessee).

Equipment leased: 130 100-ton 86'6" high cube box cars

Reporting numbers: In the series DTI 27000-27134, both inclusive and:

GTW 127035
127063
127073
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127114
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EXHIBIT B

FREIGHT CAR REPAIRS

86'6", 100-TON HIGH CUBE BOX CARS

G.T.W. 127000 - 127134

D.T.I. 27000 - 27134

AIR BRAKES:

1. Brake equipment must be removed and reconditioned in accordance with AAR Standards S-478 and S-484. Before leaving shop, cars must be tested in accordance with AAR Standard S-486. Any defective equipment found to be replaced or repaired before stenciling COT&S date on car.
2. Air hoses seven years old or on which the date is obliterated, or which have defects listed in AAR Interchange Rule 5-A must be replaced. Replacement hoses to have wipe lip couplings and nipples in accordance with AAR Standard S-491 and must be assembled by ferrule clamping.
3. Other flexible hoses on car must be inspected and renewed if any defects listed in Interchange Rule 5 are found. Replacement hose assemblies must meet AAR Specification M-927, latest revision.
4. Any compression fittings found, which were used to make repairs to air brake piping must be removed, and repairs made with welded fittings.
5. Slack adjusters bent, broken, worn, missing or inoperative must be renewed. Replacement slack adjusters to be double jaw type, applied in accordance with instructions in AAR Manual of Standards and Recommended Practices RP-400. If reconditioned adjusters are applied they must be reconditioned in accordance with AAR Specification S-423.
6. Brake pins worn as follows to be replaced:
 - 1-3/32" original diameter, replace if worn to 1" or less diameter.
 - 1-7/32" original diameter, replace if worn to 1-1/8" or less diameter.
7. Brake rods, levers, guides, fulcrums and flexible hose supports worn more than 15% or original section or missing must be renewed or repaired. Any cracks or fractures must not be welded. Holes worn more than 15% of original size must be repaired. Holes may be built up providing 80% of original material remains.
8. Intermediate hand brake rod lever closest to hand brake to be checked to determine that 6 1/2" end of lever is pinned to fulcrum, and 7-3/4" end of lever is pinned to hand brake (rod). Correct if not connected in this manner.
9. All brake shoes (composition type) worn to 1" or less thickness including lining and backing plate, to be replaced, as well as shoes broken and part missing.

10. End of car hose support components must be inspected for proper travel and operation. Any binding or restriction in travel must be corrected.

HAND BRAKES:

1. If inoperative due to mechanical cause, bent, broken, or has worn out or broken vertical chain, replace. (AAR Group B, with long release lever and shallow wheel).

TRUCKS:

1. All truck bolsters, (careful inspection in such areas under center pin), broken, cracked, bent, patched or worn or corroded where any section is reduced 20% must be replaced or repaired. Building up of worn surfaces or welding of cracks permitted only in cross-hatched area (Figure D, AAR Interchange Rule 47) provided the remaining material in the part to be built up is equal to 60% of original section, or the crack does not extend more than 40% through the cross-sectional area of the casting. Bolster rims, friction pockets and gibs may be built up if more than 40% of original material remains.

2. If total lateral clearance between bolster side frame columns exceeds $1\frac{1}{2}$ ", gibs must be repaired or replaced.

3. Vertical bowl wear liner loose or missing, or with 2 or more complete vertical cracks must be replaced. Cracks in weld joint between liner and rim exceeding 50% of total length must be repaired by an approved procedure. If diameter inside vertical wear ring exceeds $16\text{-}3\frac{3}{8}$ " in any direction, replace vertical liner. If liner is missing and bolster bowl rim is worn to $16\text{-}5\frac{5}{8}$ " or more in any direction new rim to be applied to bolster, using care to follow manufacturers instructions for application.

4. If horizontal bolster bowl liner failed into 2 or more pieces or has a piece missing it must be replaced. If the depth of the bowl is 2 inches or more, with liner in place, repairs must be made to reduce center plate engagement to $1\text{-}3\frac{1}{4}$ ", $+1\frac{1}{32}$, $-1\frac{1}{16}$. A minimum of $1\frac{1}{16}$ " clearance between bolster rim and body center plate base must be maintained in all cases.

5. Friction castings worn to within $3\frac{1}{16}$ " or less of wear indicator to be replaced. If replacement required, both castings at that end of bolster to be replaced.

6. Barber Friction Pocket to be checked with Barber #6 gauge. If gap exceeds $\frac{1}{4}$ " bolster pocket must be repaired by application of Barber Bolster Pocket Wear Plate or built up by welding. Barber instructions for repair to be followed.

7. Side bearings cracked, broken, loose or missing (including rollers) or bent or worn in excess of $1\frac{1}{8}$ " must be replaced.

8. Center plate extension pads must be examined. If rubber has separated from attached plates more than 1" measured from edge of plates, pad to be replaced. New pads applied must be shimmed as required by Barber instructions. Retaining caps must be in good condition, in proper location and securely fastened to truck bolster on all pads.

9. All side frame broken, cracked, bent, patched, worn or corroded more than 25% in any section must be repaired or replaced. Building up of worn surfaces or welding of cracks permitted only in cross-hatched area (AAR Interchange Rule 48, Figure A), provided the material remaining in the part to be built up is equal to 60% of the original section, or the crack does not extend more than 40% through the cross-sectional area of the casting. Column guides may be built up if more than 40% through cross-sectional area of casting and is stress relieved per AAR Interchange Rule 82, Section D.

10. Side frame column wear plates missing, broken or worn to $\frac{1}{4}$ " thickness or less to be replaced. Loose plates to be reattached provided not worn in excess of $\frac{1}{8}$ ".

11. Side frame pedestal and roof to be checked per AAR Standard S-327. Roof liners to be applied if required by specification. (Snap in liners not approved).

12. Roller bearing frame keys to be applied to all locations where missing.

13. All broken, missing or not standard to car springs to be replaced. D-5 truck springs which have a free height of $9\frac{7}{8}$ " or less to be replaced. Outer coil Barber Springs with a free height of $10\frac{11}{16}$ " or less and Barber Inner Coil Springs with a free height of 11" or less to be replaced.

14. Wheels to be changed, if any of the following is found:

- Flange - 1" or less thickness.
- Flange - $1\frac{3}{8}$ " or more height.
- Rim - 1" or less thickness.

All defects shown in AAR Interchange Rule 41, including prohibited types of wheels. GTW Inspector to determine procedure in questionable cases.

15. Brake beams must be inspected. Any beams not complying with the requirements of AAR Interchange Rule 6, to be replaced or repaired. Brake heads must be of a design to reject application of cast iron brake shoes.

16. Roller bearing adapters must be checked in accordance with AAR Interchange Rule 37 and replaced if required by rule. Replacement adapters to have hardened crown and thrust shoulders.

17. Any roller bearings found with lube fittings to be replaced or converted to NFL type.

18. Center plate must be lubricated in accordance with AAR Interchange Rule 47-E-4 before reapplication of trucks to car.

COUPLERS:

1. Any coupler found out of gauge, broken or cracked as covered by AAR Interchange Rules 16A and 17A must be renewed. Minimum rear wall thickness (Dimension "C", Rule 17, Figure A) is to be $3\frac{1}{8}$ ".

2. Coupler heads having a section broken out within the shaded area, cracks in shaded area extending beyond area, or any cracks or breaks in the unshaded area to be replaced. (AAR Interchange Rule 161, Figure C.)
3. If coupler shank (disregarding wear plate) is worn $\frac{1}{4}$ " deep or more in bottom wall, it must be replaced.
4. Coupler wear plate worn to $\frac{1}{8}$ " thickness or less to be replaced if standard to coupler.
5. Coupler bent out of alignment with head $\frac{1}{4}$ " or more is to be replaced.
6. All couplers to have E50HTE or E50AE knuckles. Any locks replaced to be E42AE type.
7. Coupler height (empty car) to be $32\frac{1}{2}$ " minimum, $34\frac{1}{2}$ " maximum when car is retrucked. Shimming of coupler carrier to be in accordance with AAR Interchange Rule 16E. All coupler carriers cracked, broken, bent or missing to be renewed.
8. With knuckle closed and coupler centered on carrier there must be $\frac{1}{4}$ " to $\frac{1}{2}$ " clearance between operating rod and locklift lever.
9. Minimum diameter of Y-47 coupler and yoke pin at any point is to be $3\text{-}\frac{3}{8}$ ". Bend in pin must not exceed $\frac{1}{16}$ " in total length. Replace pin if either of these conditions is found.
10. Uncoupling rigging must be completely functional and capable of easy operation with coupler in all positions which could occur during operation of car.

CUSHION UNIT:

1. Remove cushion unit and yoke from car. Check oil level in hydraulic unit per Keystone Maintenance Instructions. Seal allows a small amount of weepage to provide shaft lubrication. Extremely heavy oil stains, however, indicate problems with unit, which should receive major servicing. If unit requires addition of oil ESSO 1990 or equivalent is to be used. Capacity of unit is $23\frac{1}{2}$ quarts. If over 15 quarts must be added, hydraulic unit must be repaired. Units which have had to oil checked and/or oil added to be stenciled oil checked, day-month-year date.
2. Inspect yoke for excessive wear or galling, damage due to derailments or other causes. Repair as necessary.
3. Wear plates in cushion unit pocket area broken, cracked or excessively worn to be repaired, or replaced.
4. Check spring tube for dents. Any dent over $\frac{1}{8}$ " deep will interfere with spring operation and must be replaced.
5. Unit support, yoke carrier and return spring mounting bolts must be in place and pulled tight at reassembly of unit. It is recommended that bolts be torqued to 230-290 ft-lbs.

6. Unit to remain in neutral position with no other car coupled to it, after reinstallation.

7. Coupler pin supports must be in good condition and fully functional.

CARBODY:

1. All bent, cracked, loose, worn or missing sills, top side plates, crossbearers, cross ties, body bolsters, air brake supports, etc. must be straightened, repaired, or rewelded as required to restore them to a fully functional condition.

2. If body center plate is found to be less than 15½" in diameter in any direction it must be repaired to restore it to full 15-7/8" dimension. If impossible to repair, replace in kind. Combined center filler/center plate is Buckeye Steel Castings pattern 31-79-CHTX.

3. All body side bearings and center plate extension pad bearing plates cracked, broken bent, missing or worn in excess of 1/8" or more to be replaced.

4. All bent, cracked, loose, worn or missing striker assemblies and coupler carriers must be straightened, repaired or renewed to restore to full functional condition.

5. All handholds, sill steps and crossover boards must be in good condition and securely fastened to car.

6. Any moveable bulkheads still in cars to be permanently removed.

7. All corner, side and door posts bent, cracked or broken to be repaired and straightened to restore to a fully functional condition.

8. All side sheets cracked, broken or having holes punched in them to be repaired. Loose, missing or damaged rivets to be replaced (Huck type satisfactory).

9. Roof to be checked for leaks. Any evidence of leakage found will require repairs to eliminate leak. If patch plates are applied for repair they must be painted to match roof.

10. Interior rub rails must be in correct position, straight and securely fastened to posts. Missing rub rails may be replaced by a design which is functionally equivalent to that in car. However, any joints with existing rub rail must be smooth and not catch on lading when it is moved into or out of car.

11. All floor plates to be flat and securely attached to underframe. Any repairs or replacement of floor to be Tri-Ten steel or equivalent.

12. Sill carriers to be shimmed, if necessary with Hallond/Zeftac wear eliminators.

DOORS:

1. All gaskets on main and auxiliary doors to be replaced, unless in first class condition.

2. Door must function properly in all respects, and operate easily when opened and closed. Hold open devices to be fully operational, any missing parts to be replaced.
3. All stops must be in place and perform their intended function.
- 4.. All doors must have third auxiliary safety crank arms applied if missing.
5. All top door rollers must be fully engaged inside the top door retainer. Rollers must rotate freely. Rollers found with one or more flat spots 1" in length to be replaced.
6. All bottom door rollers must be equipped with spirol pin which prevents roller from disengaging from crankshaft. They also must be equipped with grease fittings to provide means of lubrication of adjustable crankshafts.
7. All doors to be lubricated in accordance with Section 4 of AAR Manual of Standards and Recommended Practices, Section, Part III (Youngstown Hy-Cube Doors).
8. Outside vertical portion of top retainer must be completely vertical and straight. If this vertical portion is worn to 1/8" or less thickness suitable reinforcing must be applied to outside to restore to equivalent of original 1/4" thickness, full length of worn area.
9. All top door retainers (tracks) to be inspected for wear and repaired accordingly.

MISCELLANEOUS:

1. Cars to qualify for AAR rebuilt status when shopping is completed. Cost figures and strength calculation, if required, must be provided in form suitable for submission to AAR for rebuilt approval.
2. Cars to be repainted, exterior GTW Standard Blue. Interior of car to receive one coat of non-yellowing white enamel. Both ends of car 15'0" above top of rail to top of roof to be painted with 3-M #7216 or equivalent white reflectorized paint. Floors to receive anti-skid coating. Insure items listed by AAR/FRA be covered during sand blast and paint operation.
3. All cars to have GTW reporting marks and number applied when stenciled. Numbers will be determined by adding number 1 in front of existing DT&I number, i.e., DTI 27011 to become GTW 127011. Stenciling arrangement to be provided, reflecting current requirements at time of starting program.
4. Cars to be reweighed and stenciled after all work is completed.
5. Cars to be light tested before final release.
6. Cars must meet all AAR Interchange Rule requirements and FRA Safety Appliance and Safety Standards when completed, even if not specifically covered elsewhere in these specifications.

OFFICE OF CHIEF MECHANICAL OFFICER
BATILE CREEK, MICHIGAN

DECEMBER 30th, 1988